(b) The associations/unions of officers/employees of the Public Sector Banks (PSBs) have been seeking wage revision in their salaries & perquisites *vis-a-vis* the last wage settlement.

(c) and (d) All the PSBs have been given autonomy to negotiate their wage settlements with their officers/employees associations/unions through the Indian Banks' Association.

Mismanagement of funds by UCBs

471. SHRIMATI BIMBA RAIKAR: Will the Minister of FINANCE be pleased to state:

(a) whether, of late, there have been many Urban Co-operative Banks folding up due to mismanagement of funds;

(b) whether Reserve Bank of India has suggested to Government to do away with the dual management of co-operative banks with both States and the Centre pulling at different directions; and

(c) whether Government would seriously consider reforms in the co-operative banks sector by divesting State control?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir. There have been instances where due to loans and advances turning non-performing, irregularities in the transactions in Government securities etc., the viability of many Urban Co-operative Banks have been affected necessitating their licence to be cancelled or taken in to liquidation.

(b) and (c) Reserve Bank of India had suggested certain amendments to the Banking Regulation Act, 1949 (AACS) to overcome the issue related to dual management of co-operative banks. The Banking Regulations (Amendment) and Misc. Provision Bill, 2003 incorporating these suggestions, was introduced in the Parliament which lapsed on account of dissolution of 13th Lok Sabha. The Government has now constituted a Task Force on 5th August, 2004 under the Chairmanship of Prof. A. Vaidyanathan *inter alia* to suggest appropriate regulatory frame work for the Co-operative Banks. Amendment required in the Banking Regulation Act, 1949 for putting in an effective regulatory framework for Co-operative Banks would be considered on receipt of the report of the task Force.